

Message Text

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PAGE 01 OTTAWA 02780 021442Z
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E.O. 11652: N/A
TAGS: ENRG, PARM, CA
SUBJECT: EXPORT OF CANADIAN URANIUM TO U.S.

DEPARTMENT PLEASE PASS DOE/NININGER

1. THE TORONTO "GLOBE AND MAIL" OF 30 MAY 1978 REPORTS
ON A STUDY OF THE OUTLOOK FOR URANIUM SUPPLY AND DEMAND
TO THE YEAR 2000. IT STATES THAT THE U.S. MAY REQUIRE
SUBSTANTIVE IMPORTS IN THE 1980'S TO SUPPLEMENT ITS OWN
SUPPLIES AND THAT CANADA ALSO WOULD BENEFIT IF IT WERE
TO BECOME A SIGNIFICANT SUPPLIER TO THE U.S.
 2. THE STUDY TITLED "URANIUM, NUCLEAR POWER AND CANADA-
U.S. ENERGY RELATIONS" IS BY TORONTO WRITER HUGH MCINTYRE
AND WAS PUBLISHED BY THE CANADIAN-AMERICAN COMMITTEE.
THE COMMITTEE IS SPONSORED BY THE C.D. HOWE RESEARCH
INSTITUTE OF MONTREAL AND THE NATIONAL PLANNING
ASSOCIATION OF WASHINGTON, D.C.
 3. THE STUDY CONCLUDES THAT "THE PRINCIPAL CHALLENGE
FOR CANADA-U.S. ENERGY RELATIONS WITH RESPECT TO
URANIUM--IS THE CREATION OF A MUTUALLY BENEFICIAL LONG
TERM STRATEGY FOR THE DEVELOPMENT OF NEW URANIUM RESERVES
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- PAGE 02 OTTAWA 02780 021442Z
- IN CANADA."
4. THE STUDY FOUND THAT THERE WAS A MAJOR CHANGE IN THE
OUTLOOK FOR U.S. URANIUM REQUIREMENTS AFTER THE
PRESIDENT'S DECISION NOT TO PROCEED WITH COMMERCIAL
REPROCESSING. EVEN IF THE U.S. IS THE ONLY MAJOR USER
NOT TO REPROCESS FUEL, IT ALONE WOULD ADD 300,000 TONS

TO THE WORLD DEMAND FOR URANIUM BY THE YEAR 2000.

5. CANADA AND AUSTRALIA WERE CITED AS THE ONLY COUNTRIES
LIKELY TO HAVE A "LARGE, DEPENDABLE, STABLE EXPORTABLE
SURPLUS IN 1985". THE MAIN BULK OF CANADA'S EXPORTABLE
SURPLUS WILL OCCUR DURING 1980-90, WHILE THE U.S.

REQUIREMENTS FOR IMPORT MIGHT BE MUCH GREATER AFTER 1987.

6. "IT IS THEREFORE LOGICAL FOR U.S. ENTERPRISES
COMMITTED TO NUCLEAR DEVELOPMENT TO BEGIN NEGOTIATIONS
FOR FIRM CONTRACTS WITH CANADIAN SUPPLIERS; WHICH IS,
IN PART, HAPPENING."

7. THIS STUDY WAS DISCUSSED BY EMBOFF WITH O.J.C.
RUNNALLS, URANIUM EXPERT IN GOC'S DEPARTMENT OF ENERGY,
MINES AND RESOURCES. HE SAID THAT HE AGREED WITH THE
CONCLUSIONS OF THE STUDY, BUT HE HAS OBSERVED CONSIDERABLE
RELUCTANCE RECENTLY, ON THE PART OF SOME OF THE MAJOR
CANADIAN SUPPLIERS, TO ENTER INTO CONTRACTS WITH U.S.
UTILITIES. THIS RELUCTANCE, ACCORDING TO RUNNALLS, IS
BASED UPON CONCERN ABOUT GETTING INVOLVED IN CIVIL ANTI-
TRUST SUITS.

8. RUNNALLS GAVE AS EXAMPLE THE CASE OF RIO ALGOM,
WHICH HAS A CONTRACT TO DELIVER SOME 19 MILLION POUNDS
OF URANIUM TO TVA, AND YET IS NOW BEING SUED BY TVA.

9. COMMENT: RUNNALLS' OPINION, ABOUT THE RELUCTANCE
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PAGE 03 OTTAWA 02780 021442Z

OF CANADIAN URANIUM PRODUCERS TO SELL TO THE U.S., MAY
BE SOMEWHAT COLORED BY HIS PERSONAL CONCERN AND INVOLVE-
MENT IN THE "URANIUM CARTEL" STORY.

10. COPIES OF GLOBE AND MAIL ARTICLE BEING POUCHED TO
DEPARTMENT.
ENDERS

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